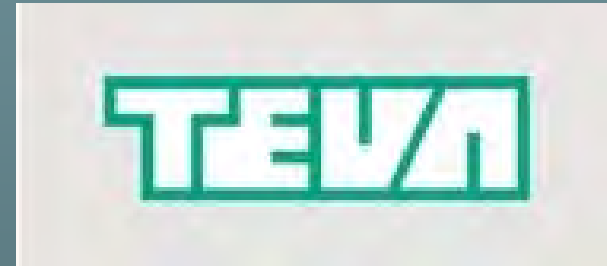


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2014 Teva Portfolio Mix Planning

Preliminary Recommendations

Prepared for Teva
July 29, 2013

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Today, we will review the preliminary portfolio mix recommendations for 2014 budget scenarios

Project Objectives

- Evaluate impact and profitability of different promotional tactics across brands
- Determine how channels work together to influence overall brand performance
- Optimize portfolio marketing budget across brands and tactics

Today's Objectives

- Review portfolio budget mix scenarios
- Gather feedback on scenarios to be incorporated into final recommendations

Key Meeting Dates

- **Portfolio Mix Review – July 29**
- Final Portfolio Mix Review – TBD if needed

Agenda

- Overview of Impact Assessment Results
- Key Brand Level Insights
- Portfolio Mix Scenarios
- Cross Brand Peer Program Insights

Copaxone and Nuvigil represent ~70% of the 2013 promotional budget (\$339 MM total portfolio budget)

2013 Promotional Budget

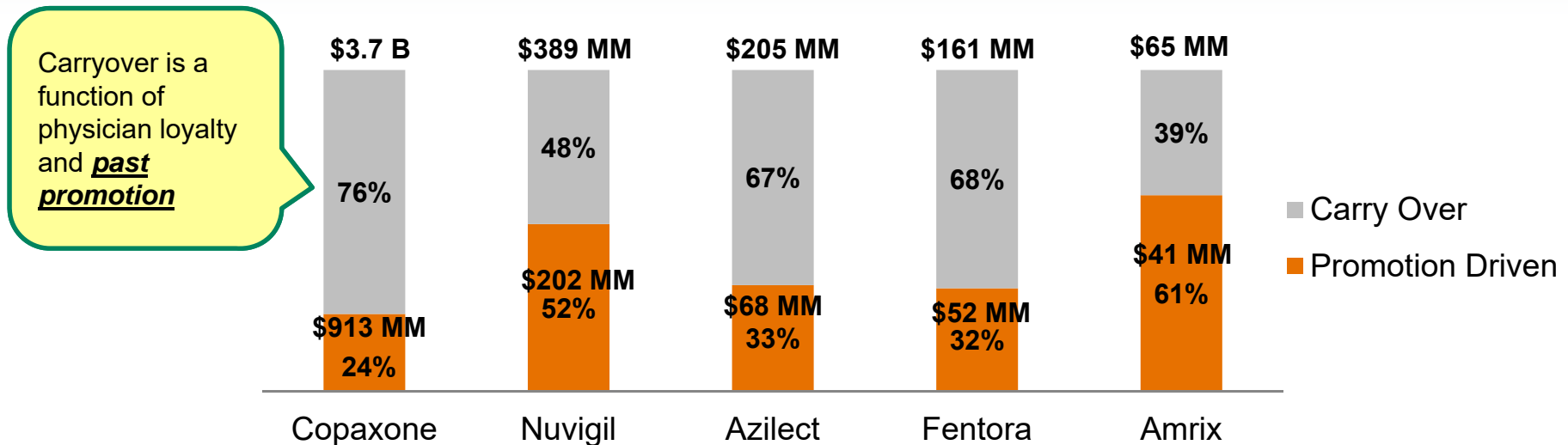
Brand	Copaxone	Nuvigil	Azilect	Fentora	Amrix
Professional	\$48.8	\$43.3	\$34.5*	\$22.4	\$27.8
- Detailing	\$35.8	\$37.8	\$27.6	\$21.0	\$24.0
- Speaker Programs	\$5.7	\$2.0	\$5.3	\$1.4	-
- Samples	\$0.4	\$3.5	\$1.1	-	\$3.8
Access	\$51.4	\$43.0	\$4.2	\$11.2	\$4.6
Patient	\$23.7	-	\$1.1	-	-
Consumer	\$12.7	\$9.0	\$0.6	-	\$1.0
Total	\$136.6	\$95.3	\$40.5	\$33.6	\$33.4

- Historically, Nuvigil has focused on consumer tactics to drive awareness and origination
- Copaxone has invested heavily on patient and access initiatives as a retention strategy, given the market dynamics, small patient universe, and high value of individual patients
- Amrix has focused on increasing patient access and drug utilization in a genericized acute pain market through sampling and access tactics

* Includes budget for Telesessions, ME Tours and RC programs

Promotion drives a relatively higher proportion of gross sales for Nuvigil and Amrix






Carry Over vs. Promotion Driven sales*



- Percentage of promotion-driven sales for each brand is consistent with industry benchmarks by therapeutic area and brand life cycle
 - Copaxone has the lowest % of impactable sales as a mature product (1997 launch) in a chronic specialty market
 - Nuvigil is very sensitive to promotion, having launched recently in 2009 and due to the fact that awareness of condition is low among MDs and consumers in a pseudo-acute market
 - Amrix is the most sensitive to promotion, having re-launched in Q4'12 and being a player in an acute market

*Represents annualized Oct'12-Mar'13 gross sales

Promotion is profitable for all brands based on overall historical ROI

	Historical ROI ¹	1 Yr. Gross Sales Impact ² (\$ MM)	Cost ³ (\$ MM)
	534%	\$913	\$98
	118%	\$204	\$73
	218%	\$98	\$34
	162%	\$52	\$19
	22%	\$41	\$29

- Copaxone has the highest return on promotional spend at 534% ROI, and has historically been under-invested
- ROI for Nuvigil, Azilect and Fentora are in the range of 100% to 250%, which is close to the optimal level of investment
- ROI for Amrix is lower, but the ROI will improve post re-launch as sales volume continues to increase

1. Historical ROI includes 2 years of carryover impact for Detailing.
2. 1 year Gross Sales Impact based on annualized 6 months activity covering the Oct'12– Mar'13 time period
3. Annualized Oct'12-Mar'13 cost based on promotional activity that was included in the ROI analysis

Agenda

- Overview of Impact Assessment Results
- Key Brand Level Insights
- Portfolio Mix Scenarios
- Cross Brand Peer Program Insights

Key Insights and Guidance for Copaxone

Key Insights

Impact assessment shows patient support tactics – Shared Solutions, Financial Assistance, Patient Programs are highly profitable

- Increased patient benefit for Copay Solutions has made the program more impactful and profitable
 - *mROI increase from 52% last year to 489% this year*
- Similar to last year, Shared Solutions continues to be a highly profitable program, despite a declining trend in enrollments
- This year's analysis included impact of CNE Calls for the first time and measured a good ROI of 302% and mROI of 153%

Guidance for 2014

2014 recommendations align with Copaxone's brand strategy of focusing on patient retention and therapy adherence

- Increase budget for financial assistance programs to increase program reach, counter rising patient OOP costs, and drive retention as the market faces new competitor launches
- Scale-up Shared Solutions resources to support increased demand for patient services with the launch of 40 mg
- Maintain current budget level for CNEs

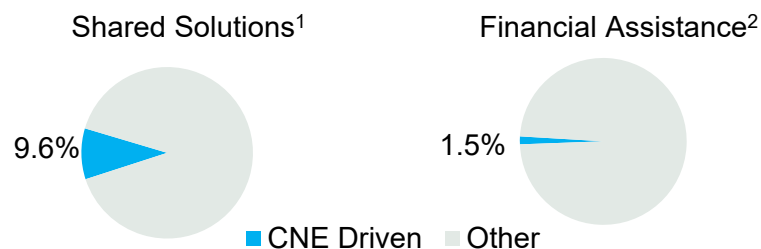
Copaxone CNE Calls

Background

- CNE sales force drives patient engagement with retention programs (ShSol and Fin. Assistance) through prescriber/office calls, injection training and patient programs
- Over the past three years, there has been a significant upsizing of the CNE team – increasing from 23 in 2011, to 41 in early 2012 and 59 by end of 2012
- ROI measurement for CNE calls was completed for the 1st time this year, using data between Oct'12-Mar'13

Findings

CNE calls impacted sales by driving Shared Solution and Financial Assistance program utilization and increasing therapy adherence



- **\$27 MM in gross sales impact, 0.7% of total revenue**
- **ROI of 302% ; mROI of 153%**

Recommendation

Maintain current investment level and CNE team size (~\$14 MM), which is close to optimal

- At the historical investment level³ that was included in the ROI measurement, marginal ROI was 153%
- After final up-size to 59 CNEs and ~\$14 MM spend in 2013, mROI projected to be 91%
- A marginal ROI between 50%-100% generally suggests optimal investment
- Additionally, practical alignment constraints limit ability to further expand CNE team size

1. Shared Solutions includes Injection Trainings , Nurse Calls and Peer Advocate Requests

2. Financial Assistance includes Copay Solutions, Private Copay and Free Product

3. Hist. Investment = Oct'12-Mar'13 Annualized Spend = 2*(Number of CNE calls mapped to valid prescriber IDs between Oct'12-Mar'13 * Cost per CNE call)

Copaxone Shared Solutions and Financial Assistance

Background

Key program changes from last year:

- Shared Solutions - Declining trend in program enrollments, increased focus on refresher trainings, and increase in call center costs
- Financial Assistance - Increased maximum patient benefit from \$500 to \$2,500, leading to higher program spend

Findings

mROI of Shared Solutions decreased from last year, but program is still highly profitable

Last year	This year
>700%	632%

mROI of Copay Solutions and Private Copay increased significantly compared to last year

<u>Copay Solutions</u>		<u>Private Copay</u>	
Last year	This year	Last year	This year
52%	489%	112%	385%

Recommendation

Increase budget for financial assistance to:

- Attract and retain more patients in an increasingly competitive market landscape
- Account for rising patient out-of-pocket costs
- Provide additional \$25 benefit to an estimated 20% of patients to increase adoption of 40 mg

Scale-up Shared Solutions resources to:








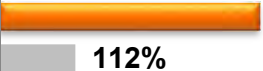


- Support 40 mg launch through additional injection trainings and nurse calls
- Conduct more refresher injection trainings
- Account for additional demand for patient services generated by patient-focused digital campaigns

1. Shared Solutions includes Injection Trainings , Nurse Calls and Peer Advocate Requests
2. Financial Assistance includes Copay Solutions, Private Copay and Free Product

Copaxone

Brand-level Insights

ROI is positive across all Copaxone tactics, with patient services being the most profitable

Tactic	Marginal ROI*	Sales Impact (\$ MM)	Modeled Spend (\$ MM)*	Total ROI*
Details	 180% 171%	\$367 (\$321)	\$35.8 (\$33.3)	597% (607%)
Samples	 >7x n/a	\$7.4	\$0.4	>7x
Shared Solutions	 632% >7x	\$242.9 (\$316)	\$13.7 (\$10.3)	>7x (>7x)
CNE Calls	 153% n/a	\$26.8	\$4.6	302%
Peer Programs (direct impact on attendees)	 95% 172%	\$16.3 (\$11.2)	\$5.7 (\$3.0)	95% (172%)
Patient Programs	 493% 538%	\$23.0 (\$19.4)	\$2.6 (\$2.2)	493% (538%)
Copay Solutions	 489% 52%	\$137.7 (\$20.3)	\$15.9 (\$9.8)	489% (52%)
Private Copay	 385% 112%	\$88.3 (\$54.9)	\$12.4 (\$19.0)	385% (112%)
Free Product	-13% 42%	\$5.3 (\$12.1)	\$4.2 (\$6.3)	-13% (42%)
Public Relations & National Patient Programs	 545% >7x	\$25.1 (\$94.1)	\$2.7 (\$1.7)	545% (>7x)
Total		\$913 (\$858)	\$98.0 (\$86.1)	 2013 2012

* mROI is the incremental profit at a given activity level over the Oct'12–Mar'13 time period;

* mROI of Rep Details includes 2 years of carryover impact. For the rest of the tactics, no future carryover impact is included in the profitability calculation

* Sales Impact and Cost are based on annualized 6 months activity covering the Oct'12– Mar'13 time period

* Total ROI = (Impactable Sales*Gross-to-Net Margin)/Cost -1

Key Insights and Guidance for Azilect

Key Insights

- The new \$15 copay coupon program has been successful since launching in October 2012, demonstrated by # of redemptions and impact measurement
- Similar to last year, speaker and patient programs continue to have negative ROI (-60%)
- Telesessions, ME Tours and Regional Colloquia were included in the impact measurement this year and showed a low-negative ROI

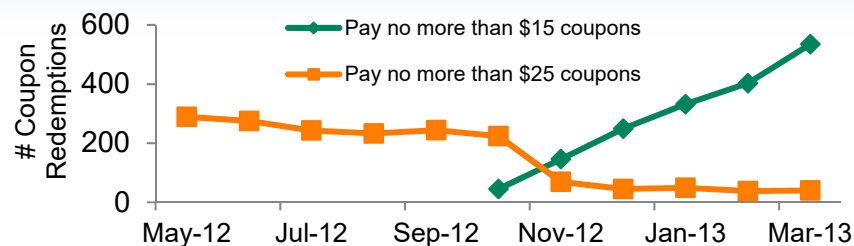
Guidance for 2014

- Promote coupon program to increase program reach and sales impact
- Refine speaker program execution to improve program profitability
 - *Improve HCP attendance by conducting more off-site and regional/local programs*
 - *Set budget guidelines by territory based on number of high value prescribers in territory*
- Since programs drive low returns, but involve significant HQ overhead, they can be discontinued and budget reallocated to more profitable coupon programs

Azilect \$15/\$25 Coupon Program

Background

- \$25 copay coupon program replaced by \$15 program (higher patient benefit) in October 2012
- Coupons are distributed through 2 channels: rep delivered or patient print on-demand from website



Findings

\$15 coupon program has a significantly higher ROI (>700%) compared to last year (492%)

- Patient benefit of \$15 coupon brings OOP cost closer to expected cost for generic competitors; minimizes lost Rx fills due to patient copay sensitivity
- Utilization of the \$15 coupon program surpassed that of the \$25 program within 3-4 months of launch, indicating increased patient demand at lower copay

Recommendation

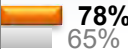




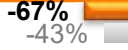








Maintain 2013 budget allocation for coupons and drive more program utilization through upstream promotion

- Current budget of \$3MM is significantly higher than historical spend¹ (\$0.2MM)
- Even with an aggressive linear trend of redemptions, 2014 spend on \$15 coupon program would be \$2.8 MM (lower than budget allocation)
- Coupon reach is significantly lower than detailing reach – leverage SF and other channels to promote value of coupon programs to patients

Azilect

Brand-level Insights

The profitability of coupon programs is positive with co-pay coupons being the most profitable

Tactic	Marginal ROI ¹	Sales Impact (\$ MM)	Cost (\$ MM) ¹	Total ROI ¹
Sales Call	 78% 65%	\$85.5 (\$56.1)	\$25.5 (\$19.9)	290% (280%)
- Detailing	 58% 54%	\$67.8 (\$41.6)	\$24.0 (\$18.2)	267% (258%)
- Samples	 94% 105%	\$8.5 (\$6.2)	\$0.96 (\$0.8)	469% (444%)
- \$0 Copay	 627% 213%	\$6.4 (\$6.4)	\$0.4 (\$0.8)	>7x (476%)
- \$25 and \$15 Co-Pay	 >7x 492%	\$5.0 (\$1.9)	\$0.2 (\$0.1)	>7% (>7x)
Peer Programs ² (direct impact on attendees)	 -67% -43%	\$3.2 (\$2.4)	\$6.3 (\$3.0)	-67% (-43%)
Patient Programs	 -60%	\$0.6	\$1.0	-60%
Telesessions ²	 43%	\$0.4	\$0.2	43%
ME Tours ²	 -16%	\$0.07	\$0.05	-16%
Regional Colloquia ²	 27%	\$0.4	\$0.2	27%
Parkinson's Support	 134%	\$0.8	\$0.2	134%
Websites	 >7x >7x	\$4.2 (\$2.6)	\$0.3 (\$0.2)	>7% (>7x)
PR Events	 588% 385%	\$0.6 (\$6.6)	\$0.05 (\$1.0)	588% (385%)
Total	 2013 2012	\$98.1	\$33.8	

1. Cost is reflective of program activity that was included in the modeling; mROI is the incremental profit at a given activity level over the Oct'12 – Mar'13 time period; ROI and mROI of Detailing includes 2 years of carryover impact. For the rest of the tactics, no future carryover impact is included in the profitability calculation; Total ROI = (Impactable Sales*Profit Margin)/Cost – 1; Sales Impact and Cost are based on annualized 6 months activity covering the Oct'12– Mar'13 time period

2. Impact was measured based on attendees that could be mapped to valid IMS IDs, but ROI is based on fully burdened cost of the program

Key Insights and Guidance for Nuvigil

Key Insights

Impactable sales have increased for Nuvigil and the profitability of the overall sales call is positive and has continued to grow

- Overall sales call profitability has grown in spite of increase in fully loaded rep costs
 - Rx savings card program is highly profitable
 - Reach amongst lower decile MDs has declined slightly for detailing and sampling
- Consumer promotion activities like Search and Display, WebMD Print program continue to remain profitable
- Monitor 2013 radio campaign performance, as program is current trending close to breakeven profitability

Guidance for 2014

Overall guidance is to increase reach of tactics to HCPs for the brand to maximize its potential and lay the foundations for the bipolar launch

- Identify and target viable prescriber targets in lower deciles with interest in Nuvigil
 - Using new HCP report, Epocrates-based search analytics, telesales and/or CRM
- Opportunity to increase Rx savings card utilization
 - Enhance linkage to upstream consumer programs; broaden reach in lower deciles
 - Auto-adjudicated copay programs in select access-challenged states and/or EMR/e-prescribing integrated copay programs
- Consider alternative consumer channels for investment to grow consumer awareness, as radio channel impact may be plateauing

Nuvigil Rx savings card program

Background

- Over the past couple of years, the Rx savings card program has been an important patient access support program for Nuvigil
- ~30% of all Nuvigil TRx are associated with savings card redemptions

Findings

Rx Savings cards remain highly profitable at current levels of investment (230% ROI, 98% mROI)



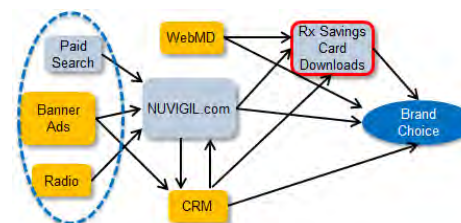
Based on current utilization, only 59% of the entire Rx Savings Card budget (Marketing + GTN) is expected to be spent in 2013

Total Spend ² (Jan-Mar)	Proj. Annual Spend ³	Budgeted Spend (Mktg & GTN)
\$6.4MM	\$25.5MM	\$43.0

Recommendation

There is considerable opportunity to benefit from increased reach and utilization of Rx savings cards, given generic modafinil environment where access may otherwise pose patient barriers

- Consider switch-based auto-adjudication copay programs in select states where managed care poses a barrier and there is high patient OOP sensitivity
- Enhanced linkage and additional investment in upstream consumer programs that complement Rx savings cards by driving downloads and brand choice



1. Source: "NUVIGIL 2012 Rx Savings Card Monthly Accrual March Actual 2013.xlsx"
 2. Includes Pharmacy Payments, ASI Fees, Program Materials/IDs and Materials Shipping/Fulfillment
 3. Projected annual spend was calculated by summing Jan-Mar spend and multiplying by four

ROIs are positive across almost all tactics, with the highest observed in Rx Savings Cards, Speaker Programs, Search and PA Plus

Tactic	Short-Term Marginal ROI ¹	Sales Impact (\$ MM) ²	Cost (\$ MM) ²	Total ROI ³
Sales Call ⁵	19% 7%	\$172.8 (\$154.5)	\$62.7 (\$59.5)	142% (126%)
Rep Message	-18% -22%	\$55.4 (\$56.3)	\$37.8 (\$38.1) ⁴	92% (95%)
Samples	-56% -56%	\$13.7 (\$11.3)	\$3.8 (\$5.9)	141% (24%)
Rx Savings Cards	98% 102%	\$103.7 (\$87.0)	\$21.0 (\$15.5)	230% (262%)
CSPs - Venue	117% 63%	\$3.3 (\$2.6)	\$1.0 (\$1.0)	117% (63%)
CSPs - Office	11% 9%	\$1.9 (\$1.7)	\$1.1 (\$1.0)	11% (9%)
Search ⁶	>5x >5x	\$7.9 (\$7.4)	\$0.4 (\$0.6)	1167% (718%)
Display ⁶	30% 1%	\$5.1 (\$5.8)	\$2.6 (\$3.7)	30% (1%)
WebMD	17% 1%	\$1.1 (\$0.8)	\$0.7 (\$0.5)	17% (1%)
Radio ⁶	-2% 19%	\$5.4 (\$1.6)	\$3.7 (\$0.9)	-2% (19%)
PA Plus ⁷	>5x	\$6.5	\$0.5	865%

2013
2012

IMS Health Confidential Proprietary

1. mROI is the incremental profit at a given activity level over the Oct'12 - Mar'13 time period; Rep message cost assumes rep cost of 286k with 1 call = 1.08 PDE mROI of Rep Message includes 2 years of carryover impact. For the rest of the tactics, no future carryover impact is included in the profitability calculation

2. Sales Impact and Cost are based on annualized 6 months activity covering the Oct'12 - Mar'13 time period

3. Total ROI = (Impactable Sales*Gross-to-Net Margin)/Cost-1 4. Recalculated based on new completion rates 5. Sales Calls are the total of Samples, Rx Savings Cards and Rep Messages 6. Search, Display and Radio revenues reflect Radio related attribution 7. Included as part of the GTN portion of the budget

Key Insights and Guidance for Fentora

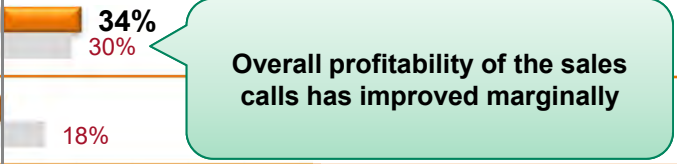




Key Insights

- Overall impactable sales have increased for the brand, mainly driven by highly profitable Rx Savings card program
- There is an opportunity to improve prescriber targeting for the brand
 - Promotional sensitivity of REMS-enrolled prescribers is significantly higher than non-REMS enrolled prescribers

Guidance for 2014

- Continue to drive high utilization of Rx Savings card program to reinforce Fentora access perception
- Focus prescriber targeting efforts on most valuable and profitable prescriber segments
 - Fentora writers
 - High Branded TIRF writers
 - REMS-enrolled generic TIRF writers, Oncologists, Pain Specialists

ROIs are positive across all tactics, and the overall sales call mROI has improved

Tactic	Short-Term Marginal ROI*	Sales Impact ² (\$ MM)	Cost (\$ MM)*	Total ROI*
Sales Call	 34% 30%	\$47.8 (\$40.4)	\$17.3 (\$16.6)	160% (182%)
Rep Message	 -15% 18%	\$21.2 (\$26.8)	\$11.2 (\$13.8)	136% (168%)
Rx Savings Card - Rep Delivered	 131% 86%	\$26.6 (\$13.6)	\$6.1 (\$2.8)	220% (248%)
CSPs – Venue	 117% 92%	\$2.8 (\$0.4)	\$1.0 (\$0.2)	117% (92%)
CSPs – Office	 86% 101%	\$1.1 (\$0.1)	\$0.4 (\$0.1)	86% (101%)
Total		\$51.7 (\$42.0)	\$18.7 (\$16.8)	

- Venue Based CSP cost per mapped attendee has increased from \$973 to \$1,137
- Office Based CSP cost per mapped attendee has increased from \$858 to \$1,230



IMS Health Confidential Proprietary

1 – Fully loaded Rep Cost = 289k

2 - All sales figures mentioned on the slide are gross sales

Sales calls are the total of Rep Message and Rx Savings Card. Note : IMS Health Confidential Proprietary: Source IMS Health Incorporated

* mROI is the incremental profit at a given activity level over the Oct'12–Mar'13 time period

* mROI of Rep Message includes 2 years of carryover impact. For the rest of the tactics, no future carryover impact is included in the profitability calculation

* Sales Impact and Cost are based on annualized 6 months activity covering the Oct-Mar'13

* Total ROI = (Impactable Sales*Gross-to-Net Margin)/Cost -1

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Key Insights and Guidance for Amrix

Key Insights

Overall, brand is more promotionally sensitive than in the past given that it is in early phases of re-launch

- Although overall sales call is mROI negative, this is typical during launch period; profitability is expected to be positive by end of 2013
- Current sampling and copay coupon activity levels suggest that there is an opportunity to increase utilization to meet planned budget

Guidance for 2014

- Copay coupons are profitable tactic for brand; increase coupon utilization to spend available budget by increasing reach to high value writers
 - Provide direction to field on copay coupon messaging to improve brand access perception in highly genericized market
- Similar to copay coupons, increase utilization of samples to spend available budget for program
- Increased consumer awareness is likely to benefit Amrix, so consider spend in tactics such as search and display which are highly profitable

Given that Amrix is in the early phases of its re-launch, it is promotionally more sensitive than it was in 2010

Background

- Based on 2010 analyses, Amrix was a highly promotionally sensitive brand, given that it operated in an acute therapeutic category that was highly genericized
- Promotional effort accounted for 55% of overall brand sales in 2010

Findings

Overall impactable sales due to promotional efforts has increased to 61%

Brand is more promotionally sensitive at prescriber level than even in 2010

High Decile MDs (Decile 10-7)

Per Month	2010 Analysis	2013 Analysis
Incremental PDEs	2.5	2.1
Incremental NRx	1.3	2.1

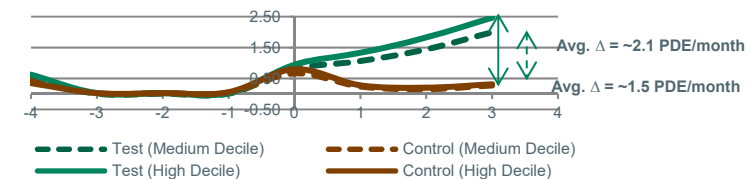
Mid Decile MDs (Decile 6-3)

Per Month	2010 Analysis	2013 Analysis
Incremental PDEs	2.5	1.5
Incremental NRx	0.4	0.4

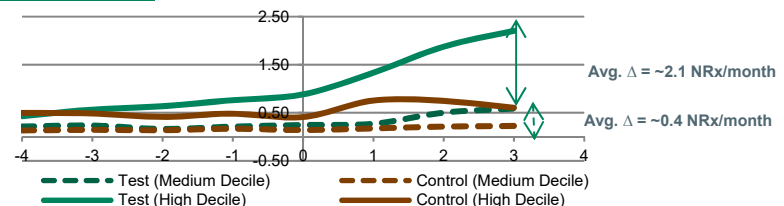
Recommendation

Continued focus and effort on high value Amrix Decile writers will enable the brand to maximize its re-launch efforts

PDE/Month



NRx/Month



1) Rx data considered for the period May 2012 – Apr 2013 2) 109 Test MDs in High Decile (D10-7), being compared against 117 control MDs; for Medium Decile (D 6-3), there are 213 Test MDs and 506 controls

3) AMRIX Promotional Response and Forecast_Feb192010_final_ppt 4) NRx to TRx ratio is 1.35

Source: AMRIX Sales (AMRIX_Mktg_Mix_Rx.txt) Note : IMS Health Confidential Proprietary: Source IMS Health Incorporated

Amrix

Brand-level Insights

Overall sales call is ROI positive, driven by access tactics i.e. coupons and samples; profitability (mROI) will improve as brand gains volume

Tactic	Short-Term Marginal ROI ¹	Sales Impact (MM)	Cost (MM)	Total ROI ²
Sales Call	-26%	\$40.6	\$28.6	27%
Rep Details – Team TP	-59%	\$6.2	\$11.6	-27%
Rep Details – Team TC	-48%	\$7.5	\$12.8	-21%
Copay Coupons	90%	\$18.0	\$2.9	315%
Samples ³	200%	\$8.9	\$1.4	307%
Total	<div>Limited sample shipment data (first 3 months only)³</div>		\$40.6	\$28.6

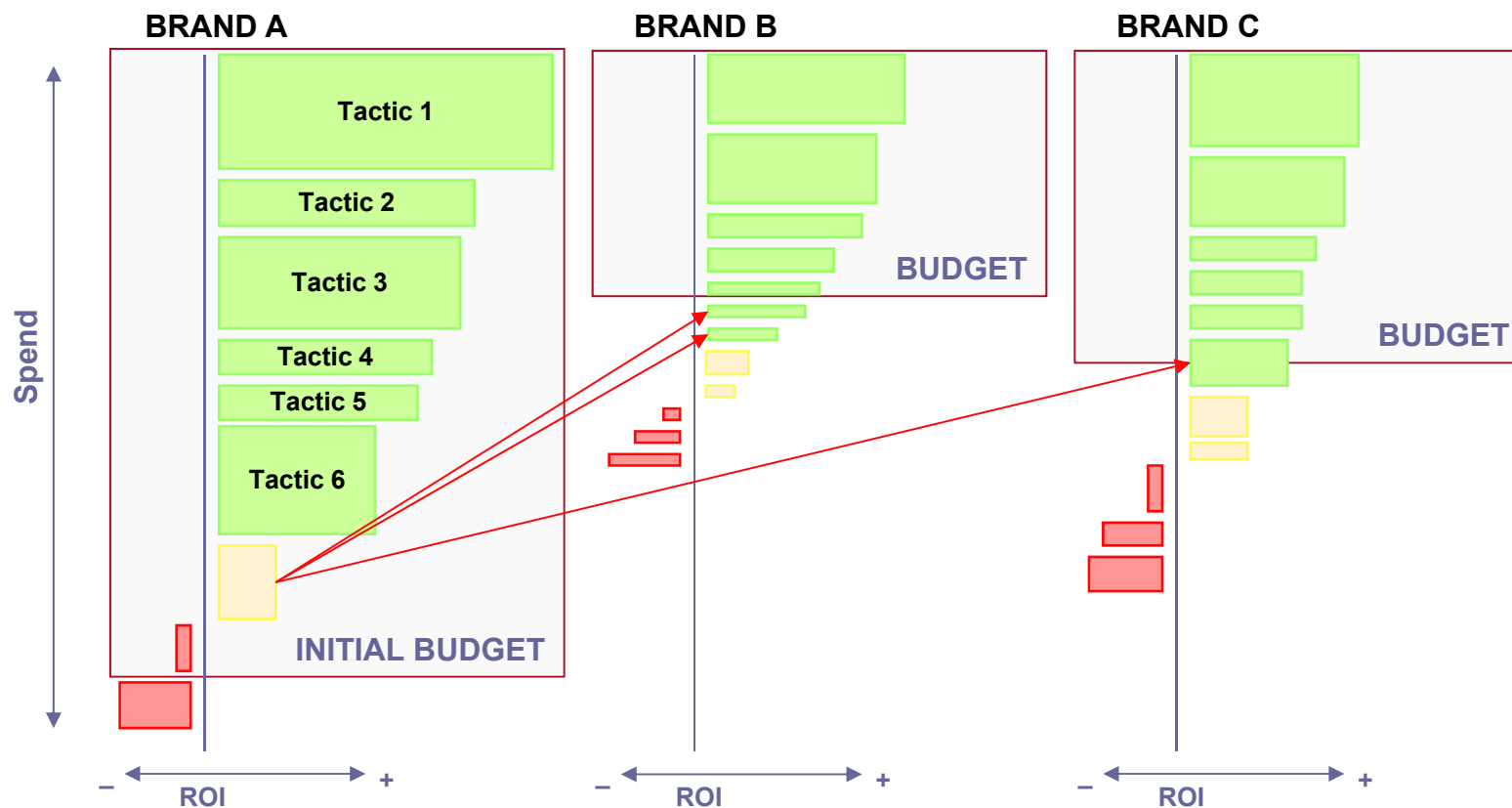
1. mROI is the incremental profit at a given activity level. mROI of detailing includes two years of carryover impact.
2. Total ROI = (Sales*margin/cost)-1; GTN margin = 66%
3. ROI for Samples calculated using a test-control analysis and mROI based on the mROI to ROI ratio from the 2010 analysis
4. Detailing is based on increased rep cost \$286k for TP and \$283K for TC, up from \$236k in 2012

Agenda

- Overview of Impact Assessment Results
- Key Brand Level Insights
- Portfolio Mix Scenarios
- Cross Brand Peer Program Insights

Portfolio trade-offs can be made to optimize the overall mix spend across the entire portfolio

Illustration



The trade-offs have been made in order to maximize 1-year contribution

We evaluated optimal mix options for five forward-looking 2014 budget scenarios, with base case assuming 2013 budget

2013 Promotional Budget

Brand	Promotional Budget ¹	Non-SF Budget
Copaxone	\$137	\$101
Nuvigil ^{1,2}	\$95	\$58
Azilect	\$40	\$13
Fentora	\$34	\$13
Amrix	\$33	\$9
Total	\$339	\$184



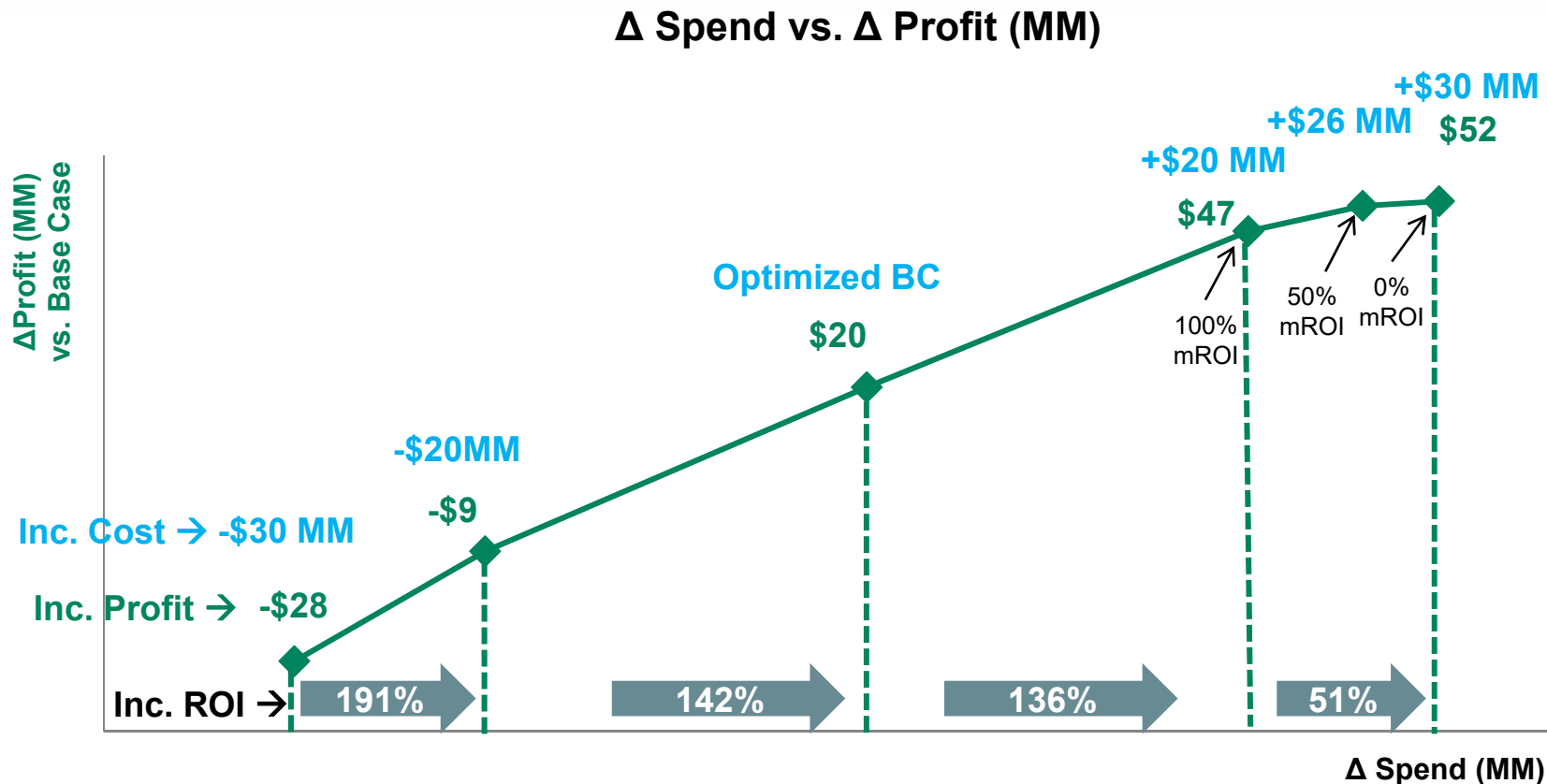
2014 Budget Scenarios

Scenario	Promotional Budget
1. Base Case - \$30 MM (-16% of non-SF budget)	\$309
2. Base Case - \$20 MM (-11% of non-SF budget)	\$319
3. Optimized Base Case	\$339
4. Base Case + \$20 MM (+11% of non-SF budget)	\$359
5. Base Case + \$30 MM (+16% of non-SF budget)	\$369

- For all scenarios, including base case, activity has been optimized within segments
- Sales force detailing investment remains fixed across scenarios (*Recommendations have been presented. Final Headcount and sales force structure to be confirmed soon*)

1. Includes budget only for tactics that impact was measured for | 2. Includes Marketing and Gross-Net budget for Access programs

The optimal investment level for 2014 falls between +\$20 MM and +\$26 MM



1. Incremental ROI between Scenario 1 and Scenario 2 = (Change in profit from Scenario 1 to Scenario 2)/(Change in cost from Scenario 1 to Scenario 2)
2. mROI at a given investment level is the return on the next dollar spent at that level

Summary of 2014 Portfolio Mix Recommendations

2014 Budget Recommendations for Base Case + \$20MM Scenario



↑
+\$16 MM

- Invest in Shared Solutions and Financial Assistance due to high impact of patient support programs and to support brand's strategy of focusing on patient retention



↑
+\$1 MM

- Slight increase in overall budget, with a decrease in samples and consumer promotion budgets. Rx cards program has a high return, but current run-rate is unlikely to hit budget, so there may be an opportunity to reallocate some budget to consumer tactics to generate more demand for Rx card program



- Lower spend on speaker programs and other peer-peer programs. Opportunity to increase spend on patient focused tactics like coupon program, Parkinson's support and PR



↑
+\$1 MM

- Rx cards program has a high return, so there is an opportunity to increase budget. However, at current run-rate it is unlikely that all budget will be utilized, so there may be an opportunity to reallocate some budget to other tactics/brands if needed
- Lower speaker program spend slightly and improve execution to increase profits



↑
+\$2 MM

- Opportunity to increase budget for Rx card program and Sampling

Recommendations assume GTN expense savings can be reallocated to other brands' marketing budget

Portfolio budget optimization generally leads to increased spend for most brands

Δ Budget, Sales, and Profit by Scenario (MM)

Brand	2013 Base Case	Base Case -\$30 MM	Base Case -\$20 MM	2013 Optimized Base Case	Base Case + \$20 MM	Base Case + \$30 MM
 COPAXONE (glatiramer acetate injection)	\$127	-\$16 	-\$8 	\$6 	\$16 	\$19 
 NUVIGIL (ARMODAFINIL) Tablets ©	\$95	-\$9 	-\$9 	-\$5 	\$1 	\$7 
 AZILECT (rasagiline tablets)	\$41	-\$3 	-\$2 	-\$2 	- 	- 
 FENTORA (fentanyl citrate) buccal tablet ©	\$34	-\$2 	-\$2 	-\$1 	\$1 	\$1 
 amrix (Cyclobenzaprine Hydrochloride Extended-Release Capsules)	\$33	- 	\$1 	\$2 	\$2 	\$2 
Net Sales	\$976	-\$58	-\$29	\$20	\$67	\$82
- Cost	\$329	-\$30	-\$20	-	\$20	\$30
= Profit	\$646	-\$28	-\$9	\$20	\$47	\$52

Recommendations assume GTN expense savings can be reallocated to other brands' marketing budget

Copaxone has significant promotional investment opportunities in Shared Solutions and Financial Assistance

Δ Budget Values by Scenario (MM)

■ Change relative to 2013 Budget ■ Change relative to estimated 2012 Spend*

Tactic	2012 Spend*	2013 Budget	-\$30MM	-\$20MM	Opt. BC	+\$20MM	+\$30MM
Speaker Programs	\$5.7	\$5.7	-\$1	-\$1	-\$1	-\$1	\$1
Samples	\$0.4	\$0.4					
Shared Solutions	\$18.5	\$21.1	-\$2	\$3	\$5	\$5	\$5
PR Events	\$2.7	\$2.7			\$1	\$1	\$1
Private Copay	\$15.6	\$15.9	-\$4		\$1	\$4	\$4
Free Product	\$4.2	\$4.2	-\$1	-\$1	-\$1	-\$1	-\$1
Patient Programs	\$2.6	\$2.6					\$1
Copay Solutions	\$20.9	\$31.3	-\$8	-\$8	\$2	\$8	\$8
CNE Calls	\$4.6	\$6.9					
Digital & CRM	-	\$10.0					

- 1 Increase in Shared Solutions budget to support launch of 40 mg through injection trainings, nurse calls etc
- 2 New program benefit has a high return and has significant opportunity for additional investment

* Estimated 2012 spend represents annualized costs for Apr'12-Mar'13.

Note: Marginal ROI for future investment above base case budget has been capped at 200% as a conservative estimate of revenue upside of expanding tactics

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07-29-13 Portfolio Mix Review v1.0

Final 2014 budget recommendations for Copaxone by scenario

			2014 Recommended Budget (MM)				
Tactic	2012 Spend*	2013 Budget	-\$30 MM	-\$20 MM	Optimized Base Case	+\$20 MM	+\$30 MM
Speaker Programs	\$5.7	\$5.7	\$4.3	\$4.3	\$4.3	\$4.3	\$7.1
Sampling	\$0.4	\$0.4	\$0.5	\$0.5	\$0.5	\$0.5	\$0.5
Shared Solutions	\$18.5	\$21.1	\$19.2	\$24.4	\$26.4	\$26.4	\$26.4
PR Events	\$2.7	\$2.7	\$2.7	\$2.7	\$3.3	\$3.3	\$3.3
Private Copay	\$15.6	\$15.9	\$12.0	\$14.6	\$16.7	\$19.9	\$19.9
Free Product	\$4.2	\$4.2	\$3.1	\$3.1	\$3.1	\$3.1	\$3.1
Patient Programs (All)	\$2.6	\$2.6	\$2.6	\$2.6	\$2.6	\$3.3	\$3.3
Copay Solutions	\$20.9	\$31.3	\$23.5	\$23.5	\$33.1	\$39.1	\$39.1
CNE Calls	\$4.6	\$6.9	\$6.9	\$6.9	\$6.9	\$6.9	\$6.9
Digital & CRM	-	\$10	\$10	\$10	\$10	\$10	\$10

* Estimated 2012 spend represents annualized costs for Apr'12-Mar'13.

Note: Marginal ROI for future investment above base case budget has been capped at 200% as a conservative estimate of revenue upside of expanding tactics

Nuvigil has an opportunity to reallocate current budget across tactics

Δ Budget Values by Scenario (MM)

■ Change relative to 2013 Budget ■ Change relative to estimated 2012 Spend*

Tactic	2012 Spend*	2013 Budget	-\$30MM	-\$20MM	Opt. BC	+\$20MM	+\$30MM
Samples	\$3.8	\$3.5	-\$0.9	-\$0.9	-\$0.9	-\$0.9	-\$0.2
Rx Savings Cards	\$25.6	\$43.0	-\$5.3		-\$2.9	\$2.8	\$5.3
CSP - OB	\$1.1	\$1.1	-\$0.3	-\$0.3	-\$0.3	-\$0.3	\$0.3
CSP - VB	\$1.0	\$0.9	-\$0.2		\$0.2	\$0.2	\$0.2
Radio	\$3.7	\$3.6	-\$0.9	-\$0.9	-\$0.9	-\$0.9	\$0.2
WebMD	\$0.7	\$0.7	-\$0.2	-\$0.2	-\$0.2	-\$0.2	
Search	\$0.4	\$0.6	-\$0.2	-\$0.1			\$0.4
Display	\$2.6	\$4.1	-\$1.0	-\$1.0			\$1.0

1 Although there is opportunity for additional investment in Rx cards, the current run rate suggests 2013 budget cannot be fully utilized. Budget can be reallocated to upstream consumer tactics to drive more Rx card downloads

* Estimated 2012 spend represents annualized costs for Oct'12-Mar'13, except for WebMD. WebMD voucher redemptions are from Nov'12-Jun'13 and copay card redemptions are from Nov'12-Mar'13

Final 2014 budget recommendations for Nuvigil by scenario

			2014 Recommended Budget (MM)				
Tactic	2012 Spend*	2013 Budget	-\$30 MM	-\$20 MM	Optimized Base Case	+\$20 MM	+\$30 MM
Samples	\$3.8	\$3.5	\$2.6	\$2.6	\$2.6	\$2.6	\$3.3
Rx Cards	\$25.6	\$43.0	\$37.7	\$37.7	\$40.1	\$45.8	\$48.3
CSP - OB	\$1.1	\$1.1	\$0.8	\$0.8	\$0.8	\$0.8	\$1.3
CSP - VB	\$1.0	\$0.9	\$0.7	\$0.7	\$1.2	\$1.2	\$1.2
Radio	\$3.7	\$3.6	\$2.7	\$2.7	\$2.7	\$2.7	\$3.8
WebMD	\$0.7	\$0.7	\$0.5	\$0.5	\$0.5	\$0.5	\$0.7
Search	\$0.4	\$0.6	\$0.5	\$0.5	\$0.6	\$0.6	\$1.0
Display	\$2.6	\$4.1	\$3.0	\$3.0	\$4.1	\$4.1	\$5.1

* Estimated 2012 spend represents annualized costs for Oct'12-Mar'13, except for WebMD. WebMD voucher redemptions are from Nov'12-Jun'13 and copay card redemptions are from Nov'12-Mar'13

Azilect access tactics like coupons and samples have a high return and have an opportunity for further investment in 2014

Δ Budget Values by Scenario (MM)

■ Change relative to 2013 Budget ■ Change relative to estimated 2012 Spend*

Tactic	2012 Spend*	2013 Budget	-\$30MM	-\$20MM	Opt. BC	+\$20MM	+\$30MM
Samples	\$1.0	\$1.1	-\$0.2	\$0.3	\$0.3	\$0.3	\$0.3
\$0 Voucher	\$0.4	\$1.2	-\$0.2	\$0.3	\$0.3	\$0.3	\$0.3
\$15/25 Voucher	\$0.2	\$3.0	-\$0.8	-\$0.8	-\$0.8	\$0.8	\$0.8
Speaker Programs	\$6.3	\$5.3	-\$1.3	-\$1.3	-\$1.3	-\$1.3	-\$1.3
Telesessions	\$0.2	\$0.2	-\$0.2	-\$0.2	-\$0.2	-\$0.2	-\$0.2
ME Tours	\$0.1	\$0.1	-\$0.1	-\$0.1	-\$0.1	-\$0.1	-\$0.1
RC Programs	\$0.2	\$0.2	-\$0.2	-\$0.2	-\$0.2	-\$0.2	-\$0.2
Parkinson Support	\$0.2	\$0.2		\$0.2	\$0.2	\$0.2	\$0.2
Website	\$0.3	\$0.3		\$0.0		\$0.3	\$0.3
Patient Programs	\$1.0	\$0.9	-\$0.2	-\$0.2	-\$0.2	-\$0.2	-\$0.2
PR Events	\$0.1	\$0.3		\$0.0		\$0.3	\$0.3

- 1 Decrease in speaker program budget. Execution can be improved to increase program profitability
- 2 HQ driven programs have significant administrative overhead but drive low returns. Programs can be discontinued in 2014 and budget reallocated to other programs

* Estimated 2012 spend represents annualized costs for Apr'12-Mar'13.

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Final 2014 budget recommendations for Azilect by scenario

			2014 Recommended Budget (MM)				
Tactic	2012 Spend*	2013 Budget	-\$30 MM	-\$20 MM	Optimized Base Case	+\$20 MM	+\$30 MM
Samples	\$1.0	\$1.1	\$0.9	\$1.4	\$1.4	\$1.4	\$1.4
\$0 Voucher Redemptions	\$0.4	\$1.2	\$1.0	\$1.5	\$1.5	\$1.5	\$1.5
\$15/25 Voucher Redemptions	\$0.2	\$3.0	\$2.3	\$2.3	\$2.3	\$3.6	\$3.8
Speaker Programs	\$6.3	\$5.3	\$4.0	\$4.0	\$4.0	\$4.0	\$4.0
Telesessions	\$0.2	\$0.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.2
ME Tours	\$0.1	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
RC Programs	\$0.2	\$0.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Parkinson Support	\$0.2	\$0.2	\$0.2	\$0.4	\$0.4	\$0.4	\$0.4
Website	\$0.3	\$0.3	\$0.3	\$0.3	\$0.3	\$0.6	\$0.6
Patient Programs	\$1.0	\$0.9	\$0.7	\$0.7	\$0.7	\$0.7	\$0.7
PR Events	\$0.1	\$0.3	\$0.3	\$0.3	\$0.3	\$0.6	\$0.6

* Estimated 2012 spend represents annualized costs for Apr'12-Mar'13.

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Fentora budget is close to the optimal investment level

Δ Budget Values by Scenario (MM)

■ Change relative to 2013 Budget ■ Change relative to estimated 2012 Spend*

Tactic	2012 Spend*	2013 Budget	-\$30MM	-\$20MM	Opt. BC	+\$20MM	+\$30MM
Rx Savings Cards	\$6.1	\$11.2	-\$1.5	-\$1.5	-\$0.5	\$1.5	\$1.5
CSP - OB	\$0.4	\$0.5	-\$0.2	-\$0.2	-\$0.2	-\$0.2	\$0.1
CSP - VB	\$1.0	\$0.9	-\$0.2	-\$0.2	-\$0.2	-\$0.2	-\$0.2

1 Although there is opportunity for additional investment in Rx cards, the current run rate suggests 2013 budget cannot be fully utilized. Budget can be reallocated to other tactics.

* Estimated 2012 Rx Savings Card spend represents annualized costs for Oct'12-Mar'13. CSP spend represents annualized costs for Jan'13-Mar'13

Final 2014 budget recommendations for Fentora by scenario

			2014 Recommended Budget (MM)				
Tactic	2012 Spend*	2013 Budget	-\$30 MM	-\$20 MM	Optimized Base Case	+\$20 MM	+\$30 MM
Rx Savings Cards	\$6.1	\$11.2	\$9.7	\$9.7	\$10.7	\$12.7	\$12.7
CSP - OB	\$0.4	\$0.5	\$0.3	\$0.3	\$0.3	\$0.3	\$0.6
CSP - VB	\$1.0	\$0.9	\$0.7	\$0.7	\$0.7	\$0.7	\$0.7

* Estimated 2012 Rx Savings Card spend represents annualized costs for Oct'12-Mar'13. CSP spend represents annualized costs for Jan'13-Mar'13

Amrix has opportunity for further investment in 2014

Δ Budget Values by Scenario (MM)

■ Change relative to 2013 Budget ■ Change relative to estimated 2012 Spend*

Tactic	2012 Spend*	2013 Budget	- \$30MM	- \$20MM	Opt. BC	+ \$20MM	+ \$30MM
Copay Cards	\$2.6	\$4.6	■ \$1.1	■ \$1.1	■ \$1.1	■ \$1.1	■ \$1.1
Samples	\$1.4	\$3.8	■ -\$0.8	■ -\$0.1	■ \$0.5	■ \$0.9	■ \$0.9
Search & Display	-	\$1.0	■ -\$0.3				■ \$0.3

1 Opportunity to increase copay cards and sample budget in 2014

*Estimated 2012 spend represents annualized costs for Feb'13-Apr'13
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Final 2014 budget recommendations for Amrix by scenario

			2014 Recommended Budget (MM)				
Tactic	2012 Spend*	2013 Budget	-\$30 MM	-\$20 MM	Optimized Base Case	+\$20 MM	+\$30 MM
Copay Cards	\$2.6	\$4.6	\$5.7	\$5.7	\$5.7	\$5.7	\$5.7
Samples	\$1.4	\$3.8	\$2.9	\$3.9	\$4.2	\$4.7	\$4.7
Search & Display	\$0.0	\$1.0	\$0.8	\$0.8	\$1.0	\$1.0	\$1.3

* Estimated 2012 spend represents annualized costs for Feb'13-Apr'13.

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Agenda

- Overview of Impact Assessment Results
- Key Brand Level Insights
- Portfolio Mix Scenarios
- Cross Brand Peer Program Insights

Execution of peer programs shows significant differences across brands

Speaker Program Attendance Summary

	Mapped Attendees				
	Office Based	Venue Based	Nat.	Reg.	Local
Copaxone	0.7	1.1	1.0	1.0	1.0
Nuvigil	2.2	5.8	3.1	4.8	2.9
Azilect	0.8	1.9	1.5	2.0	2.2
Fentora	1.5	2.5	1.6	2.1	2.3

Mapped attendance for Azilect is lower than attendance required to break-even, leading to low profitability

- Breakeven attendance: Office Based (3.6), Venue based (3.5), National (4.2), Regional (2.5), Local (2.1)

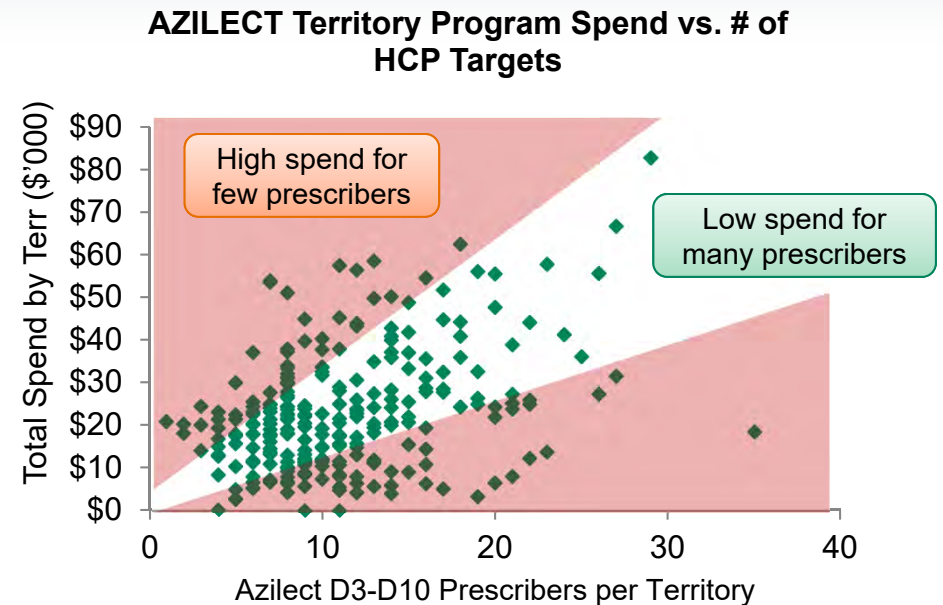
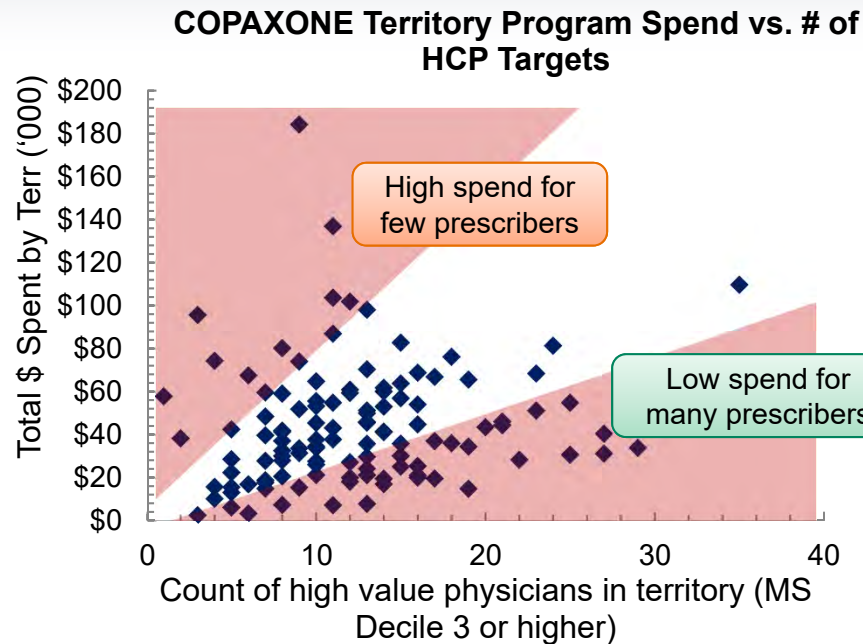
Speaker Program Cost/Mapped Attendee Summary

	Cost/Mapped HCP Attendee				
	Office Based	Venue Based	Nat.	Reg.	Local
Copaxone	\$3,546	\$3,089	\$3,754	\$2,573	\$1,512
Nuvigil	\$854	\$492	\$832	\$456	\$567
Azilect	\$4,134	\$1,517	\$2,145	\$1,126	\$684
Fentora	\$1,177	\$1,085	\$1,624	\$1,007	\$769

- Program execution for Nuvigil has been optimized over the past few years leading to higher attendance, lower costs and greater profitability
- Azilect and Copaxone could improve profitability by setting execution guidelines:
 - Restricting 1:1 programs and lower costs
 - Increase use of low cost regional/local speakers
 - Minimum attendance requirements (For e.g., at least 1 high decile prescriber per program)

- Nuvigil cost/mapped HCP attendee highlighted in green
- Cost/mapped HCP numbers highlighted in red are at least 50% lower or 100% higher compared to that of Nuvigil
- Time Periods for Summaries: Copaxone – Apr'12-Dec'12 | Nuvigil – Oct'12-Mar'13 | Azilect – Apr'12-Dec'12 | Fentora – Jan'13-Mar'13
- Impact /Attendee for Copaxone, Nuvigil and Fentora National, Regional and Local programs assumed to be same as overall impact/attendee
- Impact/Attendee for Copaxone and Azilect Office Based and Venue Based programs assumed to be same as overall impact/attendee

Peer program budget at the territory level can be guided by the number of valuable HCPs in the territory

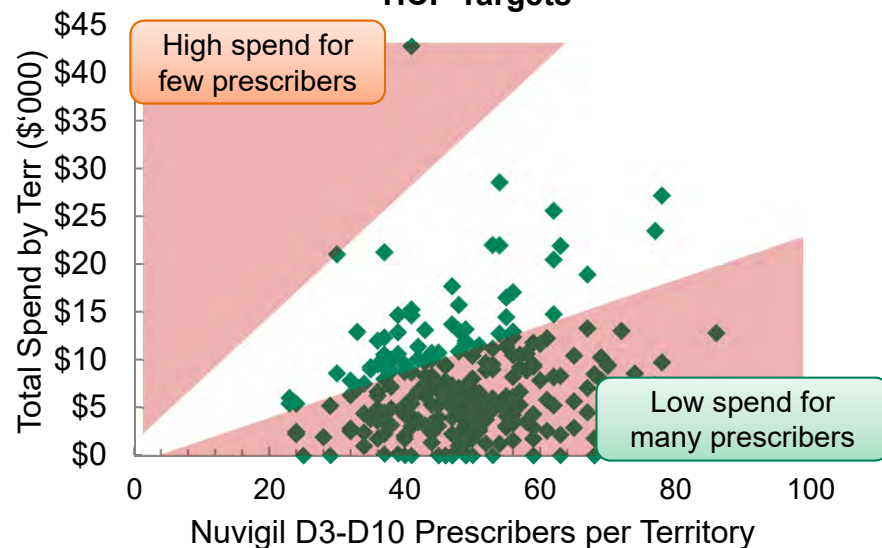


High costs are being incurred by holding speaker programs in geographies with very few high value physicians

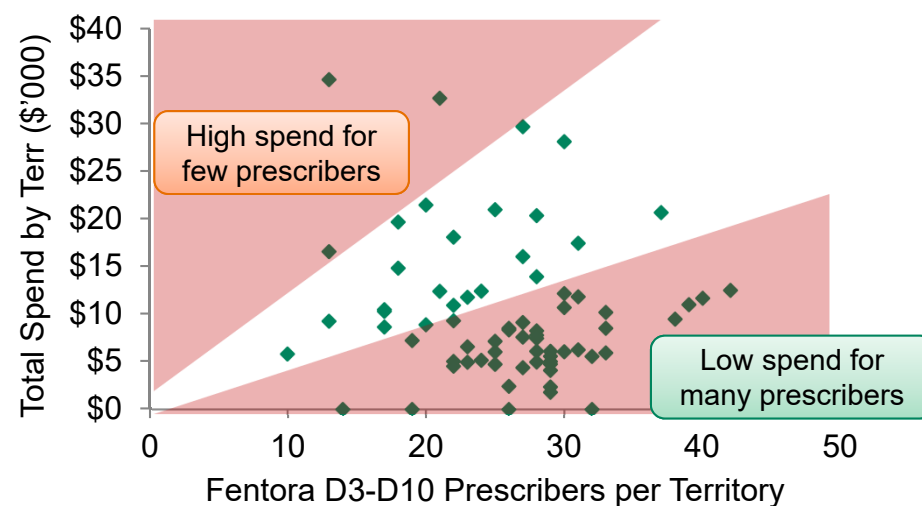
– The number of programs held in each geography should be related to the number of valuable physicians

Total budget could be distributed optimally across territories based on the number of valuable prescribers

NUVIGIL Territory Program Spend vs. # of HCP Targets



FENTORA Territory Program Spend vs. # of HCP Targets



Some of the budget can be reallocated to be related to higher number of valuable prescribers in each territory

Note: Analysis time period Jan'12 to Dec'12

Next Steps

- Incorporate feedback from today's discussion into recommendations



APPENDIX: Detailed Insights

LRP Sales Force Effort Inputs

LRP cost allocation across brands for each team are leveraged with assumed sales force size by team to determine planned effort allocation

Sales Team Cost Allocation – Effort Allocation

Team	Team	2014				2015				2016			
TN	Copaxone	80%	80%	80%	80%	80%	80%	80%	80%	93%	93%	93%	93%
	Azilect	20%	20%	20%	20%	20%	20%	20%	20%	7%	7%	7%	7%
TNP	Nuvigil	70%	70%	70%	70%	80%	80%	80%	80%	80%	80%	80%	80%
	Amrix	15%	15%	15%	15%	-	-	-	-	-	-	-	-
	Azilect	15%	15%	15%	15%	20%	20%	20%	20%	20%	20%	20%	20%
Pain Team	Fentora	24%	24%	24%	24%	0%	0%	0%	0%	0%	0%	0%	0%
	Amrix	76%	76%	76%	76%	100%	25%	25%	25%	25%	25%	25%	25%
	AD Hydro	-	-	-	-	0%	75%	75%	75%	75%	75%	75%	75%

Sales Team Sizes

Team	2014	2015	2016
TN	199	199	172
TNP	254	254	127
Pain team	70	254	254
Total Size	523	707	553

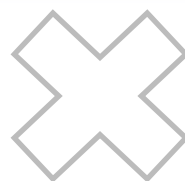
Sales Force Size Product
Effort Allocation

*Includes two years of CO into 2017-2018; NTEs refers to AD Percocet + AD Exalgo + AD Vicodin

Calculated LRP Sales Force Effort

Sales force effort allocation used with PDE rep capacity calculated from portfolio model to determine LRP sales force effort by brand

Sales Force Size Product
Effort Allocation



Estimated PDEs per Rep per Year

Team	2014	2015	2016
TN	911	911	911
TNP	1,464	1,420	1,365
Pain team	1,623	1,623	1,623
Average	1,332	1,318	1,300

Incremental PDEs over LRP Assumptions (000s)

Team	2014	2015	2016
Copaxone	145	145	146
Azilect	92	108	46
Nuvigil	260	288	139
Amrix	143	152	103
Fentora	27	0	0
AD Hydro	0	195	309
Total	667	889	742

Tactic list by category

Brand	Copaxone	Nuvigil	Azilect	Fentora	Amrix
Professional	<ul style="list-style-type: none"> ▪ Detailing ▪ Speaker Programs 	<ul style="list-style-type: none"> ▪ Detailing ▪ Samples ▪ Speaker Programs 	<ul style="list-style-type: none"> ▪ Detailing ▪ Samples ▪ Speaker Programs ▪ Telesessions ▪ ME Tours ▪ Regional Colloquia 	<ul style="list-style-type: none"> ▪ Detailing ▪ Speaker Programs 	<ul style="list-style-type: none"> ▪ Detailing ▪ Speaker Programs ▪ Samples
Access	<ul style="list-style-type: none"> ▪ Private Copay ▪ Coupons ▪ Free Product Voucher 	<ul style="list-style-type: none"> ▪ Rx Savings Card 	<ul style="list-style-type: none"> ▪ \$0 Copay Coupon ▪ \$15 Copay Coupon 	<ul style="list-style-type: none"> ▪ Rx Savings Card 	<ul style="list-style-type: none"> ▪ Copay Cards
Patient	<ul style="list-style-type: none"> ▪ Shared Solutions ▪ Patient Programs ▪ Patient CRM 	<ul style="list-style-type: none"> ▪ None 	<ul style="list-style-type: none"> ▪ Patient Support Program 	<ul style="list-style-type: none"> ▪ None 	
Consumer	<ul style="list-style-type: none"> ▪ PR Events ▪ Website ▪ Avatar 	<ul style="list-style-type: none"> ▪ Radio ▪ Print (WebMD, etc.) ▪ Search ▪ Display 	<ul style="list-style-type: none"> ▪ PR Events ▪ Website 	<ul style="list-style-type: none"> ▪ Search and Display 	

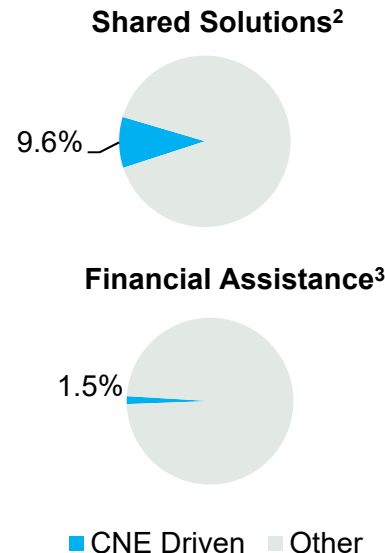
ROI on CNE calls has been measured for the first time this year - CNE calls in 2012¹ impacted \$27 MM in gross sales, with an ROI of 302%

CNEs calls impact sales by driving Shared Solution and Financial Assistance program utilization and increasing therapy adherence

Investment

- CNE Calls (Office + Prescriber)
- Focus on increasing utilization of Shared Solutions and Financial Assistance
 - Annualized Oct'12-Mar'13 spend¹ of \$4.6 MM

Activity Impact



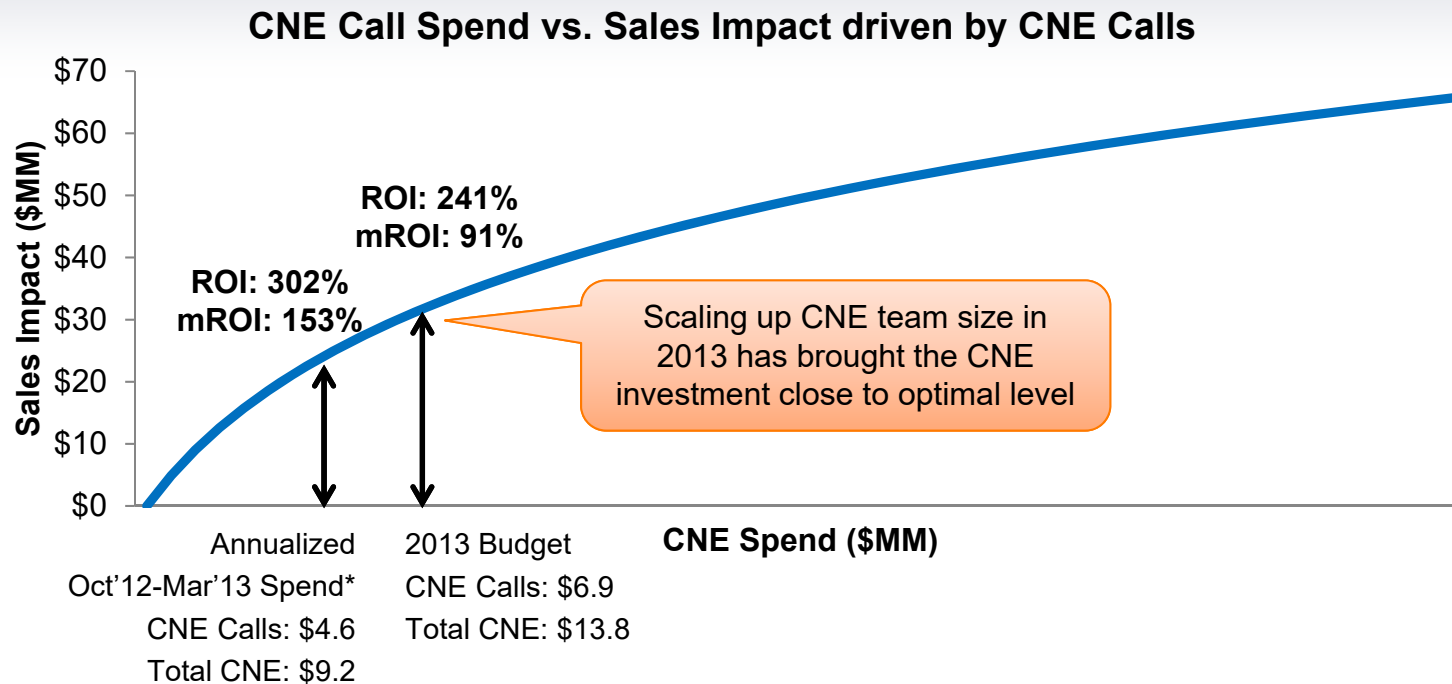
Sales Impact

- \$27 MM in gross sales impact
- 0.7% of total revenue
- 2.9% of promotion driven sales
- ROI of 302%

We also evaluated impact of CNE calls using a physician regression model on sales (excluding Shared Solutions & Financial Assistance) and the ROI across both approaches is similar

1. Oct'12-Mar'13 Annualized Spend = 2*(Number of CNE calls mapped to valid prescriber IDs between Oct'12-Mar'13 * Cost per CNE call)
2. Shared Solutions includes Injection Trainings , Nurse Calls and Peer Advocate Requests
3. Financial Assistance includes Copay Solutions, Private Copay and Free Product

Analysis suggests CNE investment level in 2013 is close to the optimal level



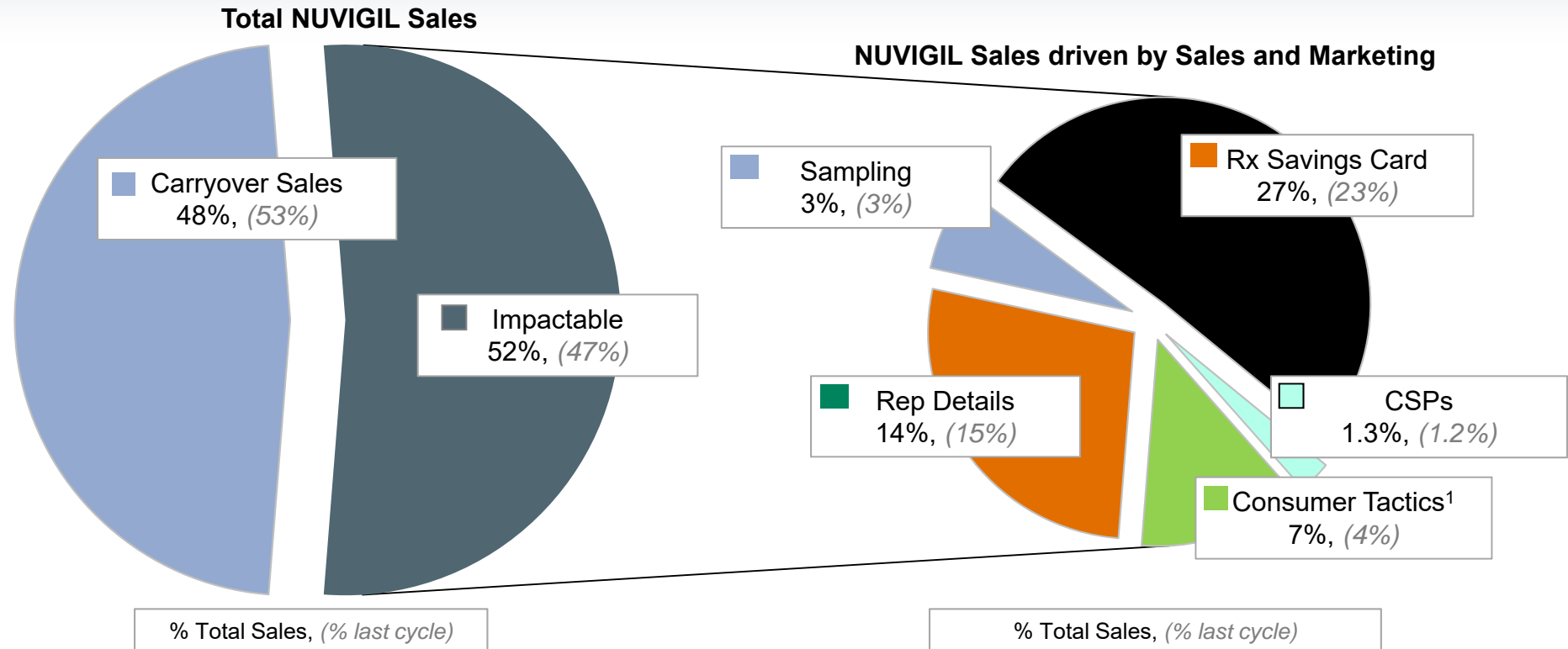
- mROI analysis suggests that CNE team is optimally sized
- Additional alignment constraints limited ability to further increase CNE team size:
 - Require population centers within territory to manage travel time for variable in-home training schedule
 - Do not complete “over nights” like a sales rep
 - Workload for last CNE added to alignment was only ~40% of average territory

1. Oct'12-Mar'13 Annualized Spend = 2*(Number of CNE calls mapped to valid prescriber IDs between Oct'12-Mar'13 * Cost per CNE call)

Brand Level Insights - Nuvigil

NUVIGIL sales and marketing tactics account for 52% (\$202 MM) of annualized NUVIGIL sales (\$389 MM)

NUVIGIL Sales at Historical Promotional Effort (Annualized Oct 2012 - Mar 2013)



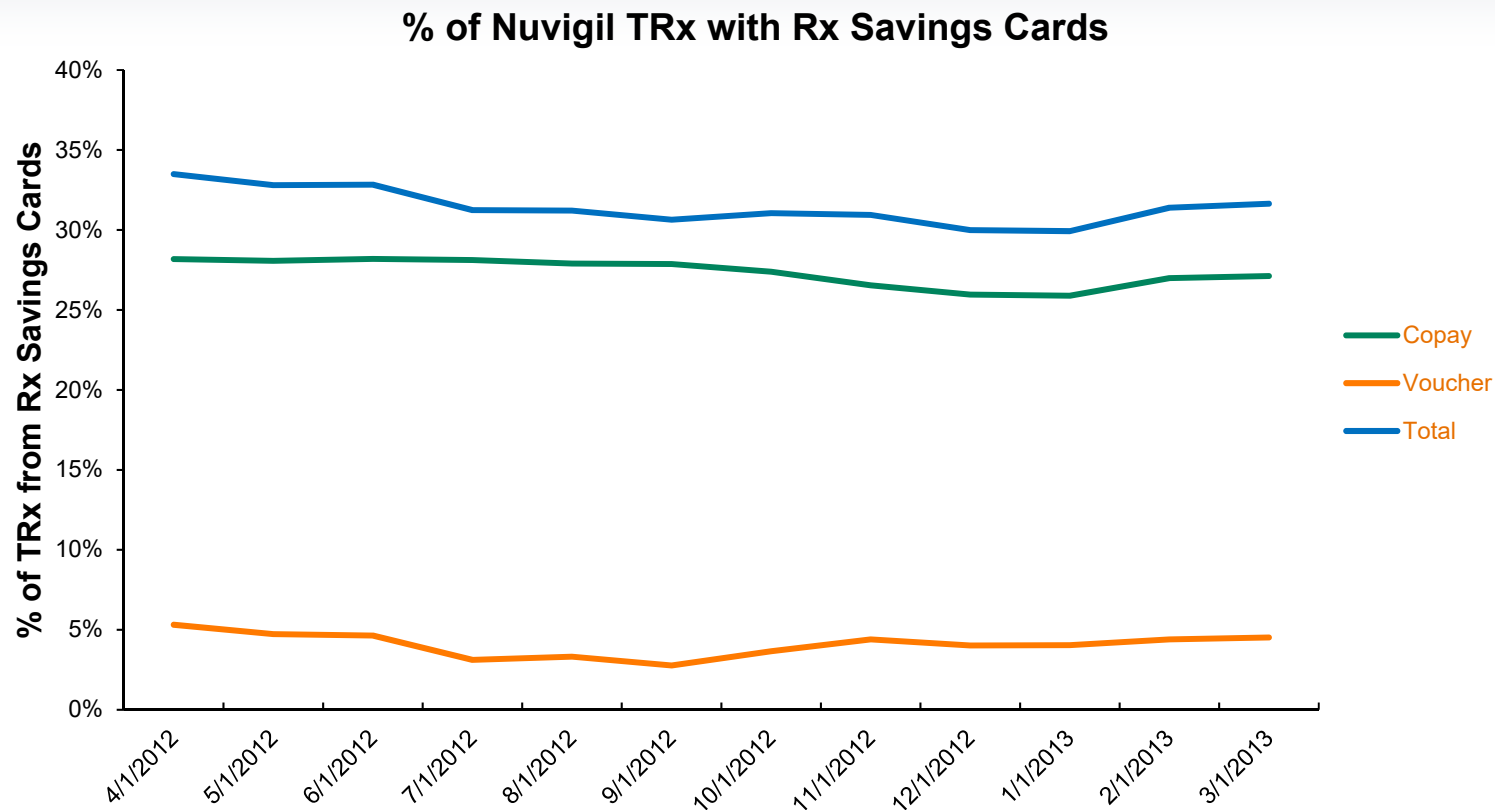
	Rep Message	Sampling	Rx Cards	CSPs Office	CSPs Venue	Search	Display	WebMD	Radio ²	PA Plus
Revenue (in \$MM)	\$55.4	\$13.7	\$103.7	\$1.9	\$3.3	\$7.9	\$5.1	\$1.1	\$5.4	\$6.5
% of Revenue	14.2%	3.5%	26.7%	0.5%	0.9%	2.0%	1.3%	0.3%	1.4%	1.7%

1. Consumer tactics include: Search, Display, Radio, WebMD Print and PA Plus

2. Rx's resulting from incremental clicks in radio campaign geographies are ascribed back to the radio campaign

Brand Level Insights - Nuvigil

31% of Nuvigil TRx are associated with Rx Savings Card redemptions

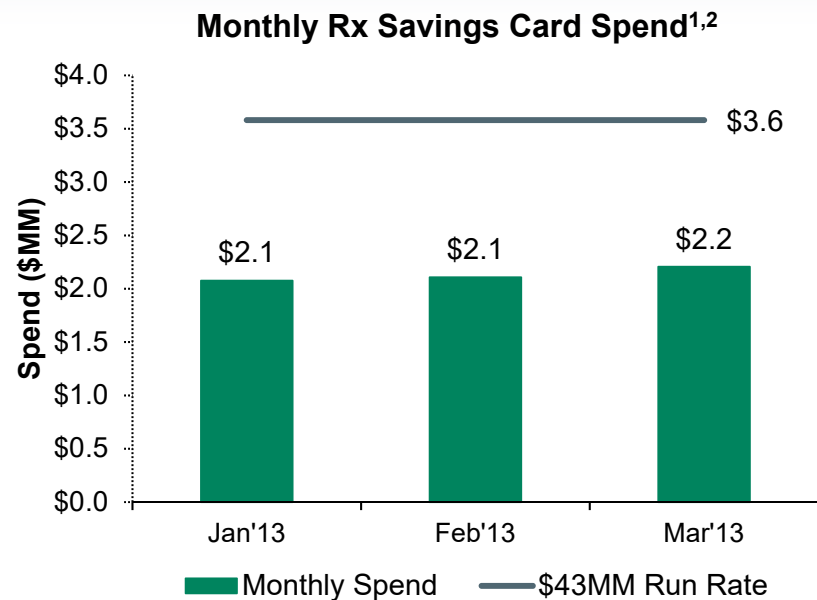


IMS Health Confidential Proprietary

Source: "Nuvigil_Monthly_Rx.txt" (Xponent data), "Wake_Mktg_Mix_Copay_Redemptions.txt" and "Wake_Mktg_Mix_Voucher_Redemptions.txt"

Brand Level Insights - Nuvigil

There is considerable opportunity to increase Rx Savings Card redemptions and spend relative to available 2013 budget



Total Spend ² (Jan-Mar)	Proj. Annual Spend ³	Budgeted Spend (Mktg & GTN)
\$6.4MM	\$25.5MM	\$43.0

Spend Attainment = 59%

Based on current utilization, about 59% of the entire Rx Savings Card budget (Marketing + GTN) is expected to be spent in 2013

1. Source: "Nuvigil 2012 Rx Savings Card Monthly Accrual March Actual 2013.xlsx"
2. Includes Pharmacy Payments, ASI Fees, Program Materials/IDs and Materials Shipping/Fulfillment
3. Projected annual spend was calculated by summing Jan-Mar spend and multiplying by four

Brand Level Insights - Nuvigil

Rx card redemptions can be increased by increasing Rx card reach relative to current levels for detailing

NUVIGIL Quintile	Sales Call			
	Sales Call ¹	Rep Message	Samples	Rx Savings Cards
Quintile 5 (D 10-9) N = 793	55%	35% (96%, 24)	18% (73%, 19)	72% (96%, 55)
Quintile 4 (D 8-7) N = 2,069	32%	-19% (92%, 18)	-29% (57%, 12)	115% (85%, 20)
Quintile 3 (D 6-5) N = 4,003	23%	-8% (83%, 14)	-74% (45%, 8)	112% (66%, 11)
Quintile 2 (D 4-3) N = 8,110	-3%	-33% (64%, 11)	-85% (26%, 6)	97% (43%, 8)
Quintile 1 (D 2-1) N = 28,828	3%	-28% (26%, 7)	-100% (7%, 5)	103% (18%, 6)

Consider increasing reach by turning on auto-adjudicated programs in select states and/or via EMR/e-prescribing integrated programs

Key = mROI > 25% mROI -25% to 25% mROI < -25%

mROI²
(Reach, Frequency)³

IMS Health Confidential Proprietary

1. Sales Call includes Rep Message, Samples and Rx Savings Cards

2. mROI of Rep Message includes 2 years of carryover impact. For the rest of the tactics, no future carryover impact is included in the profitability calculation

3. Reach and Frequency are based on time period annualized 6 month activity from Oct'12 - Mar'13

Brand Level Insights - Nuvigil

From an execution standpoint, there is an opportunity to increase the reach of the sample shipments relative to current levels for detailing

Decile	% NRx Writers ¹	Historical PDEs		Historical Samples		Optimized Base Case		Unconstrained Optimal	
		Reach	Frequency	Reach	Frequency	Reach	Frequency	Reach	Frequency
D 10-9	99.7%	96%	24	73%	19	80%	19	80%	20
D 8-7	98.7%	92%	18	57%	12	70%	10	70%	10
D 6-5	95.3%	83%	14	45%	8	50%	7	50%	7
D 4-3	86.6%	64%	11	26%	6	40%	5	40%	5
D 2-1	50.7%	26%	7	7%	5	10%	3	10%	3
Total	64.6%	43%	11	18%	8	23%	7	23%	7

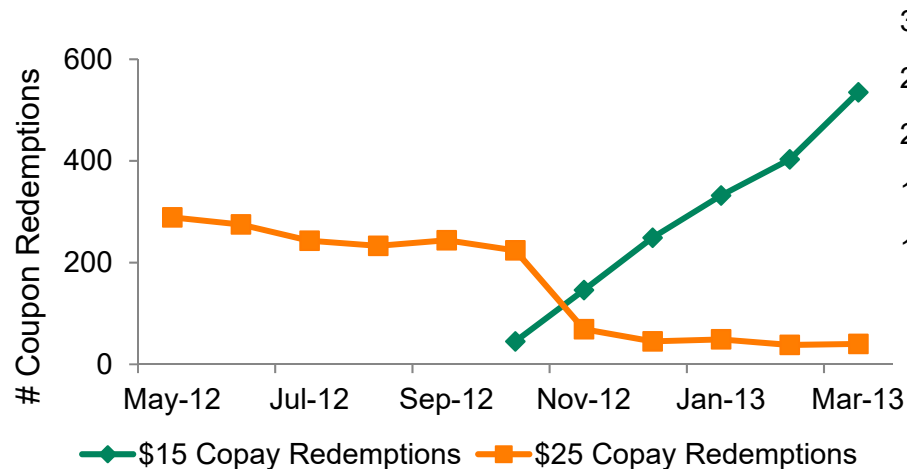
The current level of frequency of sample shipments is relatively healthy, so the focus on execution would be to increase reach and limit cannibalization of Rxes

1. Based on 6 month data from Oct'12 - Mar'13
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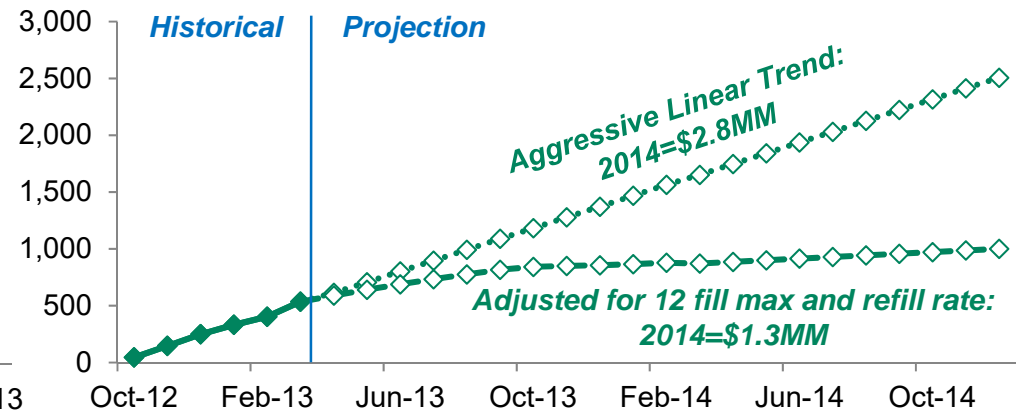
Brand Level Insights - Azilect

Copay coupon program ROI has increased with the introduction of \$15 coupon program

\$15 and \$25 Copay Coupon Trend



\$15 Copay Coupon Run-Rate



- Patient benefit of \$15 coupon brings OOP cost closer to expected cost for generic competitors, minimizing lost Rx fills due to patient copay sensitivity
- Utilization of the \$15 coupon program surpassed that of the \$25 program within 3-4 months of launch, indicating high increase in patient demand at lower copay

- With an aggressive linear projection, 2014 cost of \$15 coupon program would be **\$2.8 MM**
- Adjusting the forecast for the 12 fill max and assuming some program attrition (90% refill rate each month), 2014 forecast is **\$1.3 MM**

Adjusted trend assumes: 108 new fills in Apr'13 (approx. avg. for Nov'12-Mar'13), increasing by 2 new fills each month. Refill rate assumed to be 90% of previous month (likelihood of patient completing 12 fills assumed to be ~30%)

Brand Level Insights - Fentora

Increasing reach while maintaining frequency constant across all three tactics for high value segments will enable the brand to gain significant upside

FENTORA Segments		Sales calls	PDEs ²	RX Savings Card ¹	Office Based (CSP)	Venue Based (CSP)
F FENTORA Decile 2-10	High (10-8) (55 MDs)	281%	804% (95%, 36.8)	183% (73%, 49.3)	-100% (5%, 1.0)	116% (58%, 1.0)
	Medium (5-7) (146 MDs)	132%	205% (93%, 28.4)	87% (49%, 15.6)	2130% (6%, 1.0)	1051% (41%, 1.0)
	Low (2-4) (394 MDs)	35%	-19% (89%, 22.6)	91% (43%, 9.4)	160% (8%, 1.0)	420% (27%, 1.0)
R TIRF MDs	Decile 5-10 (244 MDs)	-11%	-87% (67%, 16.5)	134% (18%, 6.2)	1813% (4%, 1.0)	-100% (6%, 1.0)
O Oncs & Decile 4-10 PSAO/LAO	REMS Enrolled (223 MDs)	6%	-100% (54%, 6.9)	1988% (3%, 1.5)	-100% (2%, 1.0)	15% (2%, 1.0)
	Not Enrolled (571 MDs)	-100%	-100% (30%, 4.7)	-100% (0.2%, 1.0)	-90% (0.5%, 1.0)	0% (0%, 0.0)
H PSAO / LAO Decile 5-10	REMS Enrolled (2,239 MDs)	-5%	-27% (71%, 14.2)	119% (10%, 3.9)	-8% (5%, 1.0)	70% (13%, 1.0)
	Not Enrolled (7,374 MDs)	-74%	-100% (19%, 6.4)	578% (0.2%, 5.5)	44% (1%, 1.0)	-100% (1%, 1.0)
REMS enrolled	4,819 MDs	-53%	-100% (31%, 8.2)	96% (4%, 4.7)	-100% (3%, 1.0)	-100% (5%, 1.0)

Notes:

Reach based on MDs receiving tactic effort between Apr'12- Mar'13; Frequency = Apr'12-Mar'13 Activity / Reached MDs

Sales calls is defined as PDEs & Rx Savings Card Program

1 - Frequency for Rx saving cards is calculated as #redemptions in a year / reached MDs

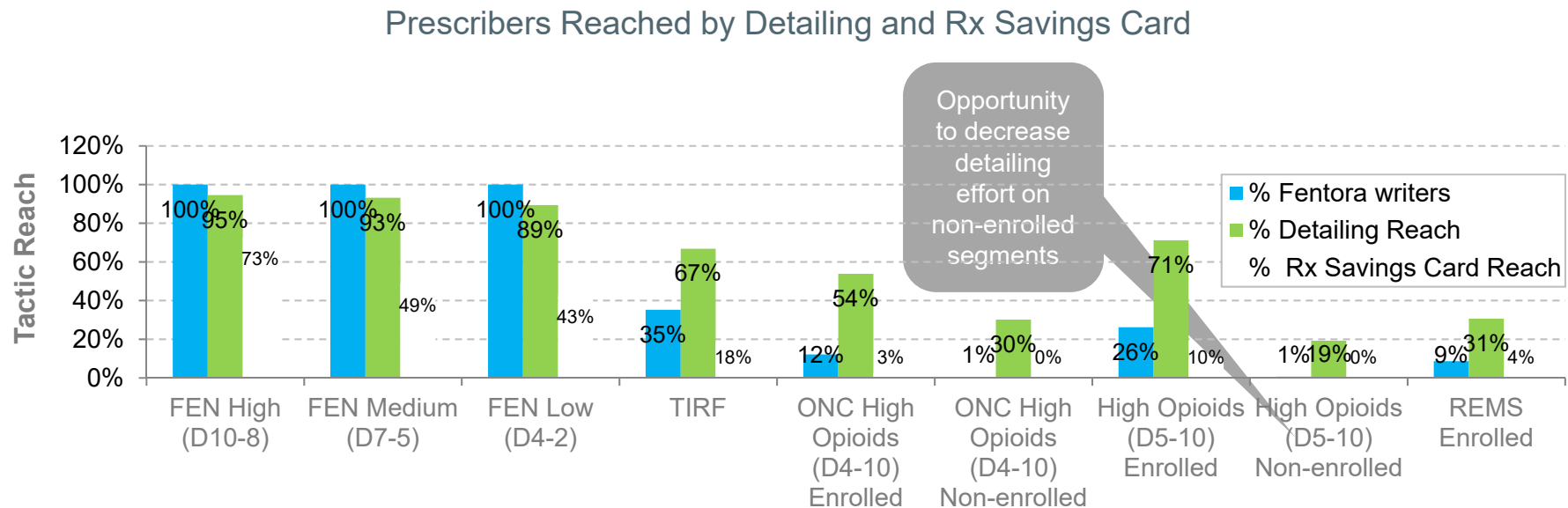
2 - mROI by segment for reduced cost/pde value of 160\$ is attached in the appendix

mROI > 150%
 mROI < -20%
 mROI -20% to <150%
 <20 MDs reached

mROI
(Reach, Frequency)*

Brand Level Insights - Fentora

By better targeting the Rx Savings Card reach to REMS enrolled MDs, the brand will be able to maximize impact from this profitable tactic



The ONCs enrolled writers should be targeted with a higher reach and frequency – the other segments can be pursued at current levels of activity

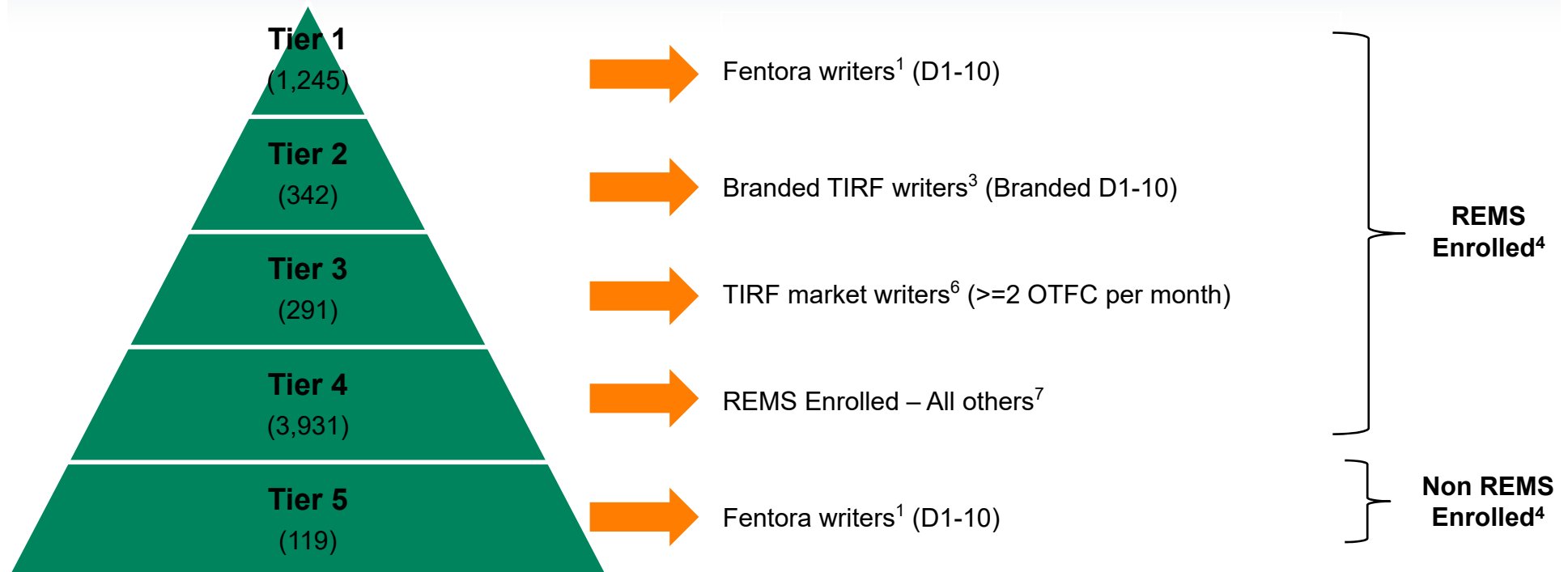
Source: Pain_Mktg_Mix_Details.txt received 5/23/2013; Pain_Mktg_Mix_Voucher_Redemptions.txt received 5/23/2013; Pain_Mktg_Mix_Copay_Redemptions.txt received 5/23/2013;

Deciles are from file provided by Teva Pain_Mktg_Mix_Demo.txt on 4/26/2013;

1 – Reach for Rx savings cards is based on the #redemptions and not dropped cards

Brand Level Insights - Fentora

Based on the discussions with the Fentora brand team, the MDs can be prioritized based on the following tiers, ~6K MDs can be reached using the tiers as outline below



¹ Deciles are created based on the recent 6 months of TRx prescription behavior (Oct'12-Mar'13)

² Specialties are from file provided by Teva Pain_Mktg_Mix_Demo.txt on 4/26/2013; The specialties excluded from the summary are 'Neurologists' and 'PCPs'

³ Pain_Mktg_Mix_Rx.txt received 4/26/2013, scripts based on recent 12 months (Apr'12-Mar'13) ; TIRF branded scripts include Fentora, Subsys and Actiq scripts;

TIRF generic scripts include just the OTFC scripts

⁴ Enrolled MDs based on "REMS Enrolled as of May1_Colleen Kweder" received 5/8/2013

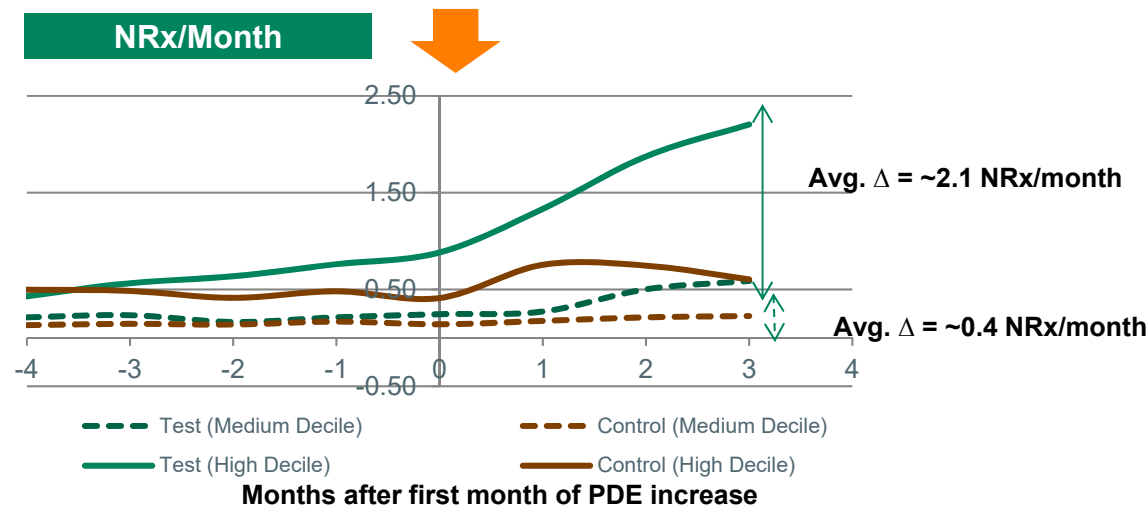
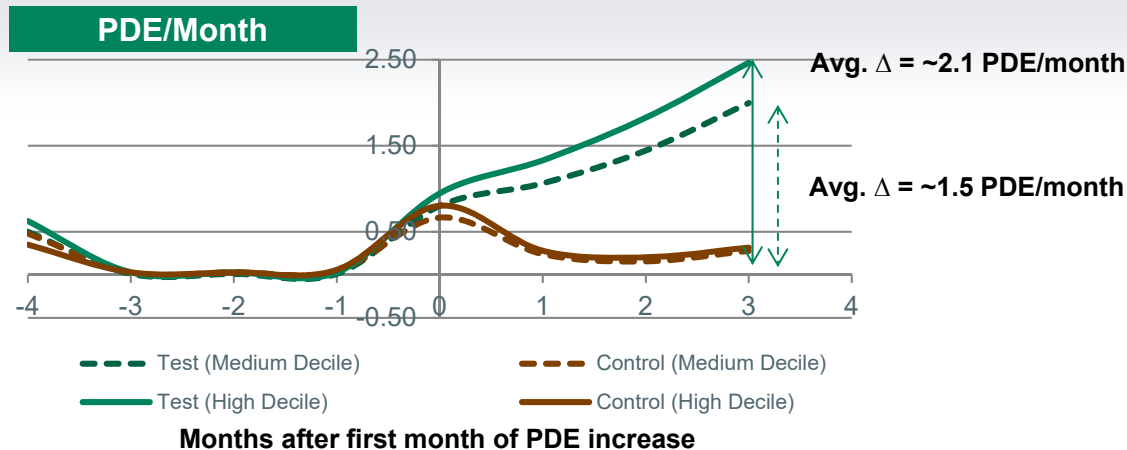
⁵ Target flag as defined in call plan file from H1 2013; received from internal ZS call planning team

⁶ High TIRF prescribers are identified as prescribers writing either high OTFC or high branded TIRFs

⁷ ONCs and PMDs, A/O and Neuros - REMS Enrolled and in Call Plan and TIRF market writers (Branded + Generic D1-10) – All REMS Enrolled

Brand Level Insights - Amrix

High AMRIX decile MDs (D 10-7) are generating higher incremental NRx's when compared to Medium decile MDs (D 6-3)



Relative Promotional Sensitivity

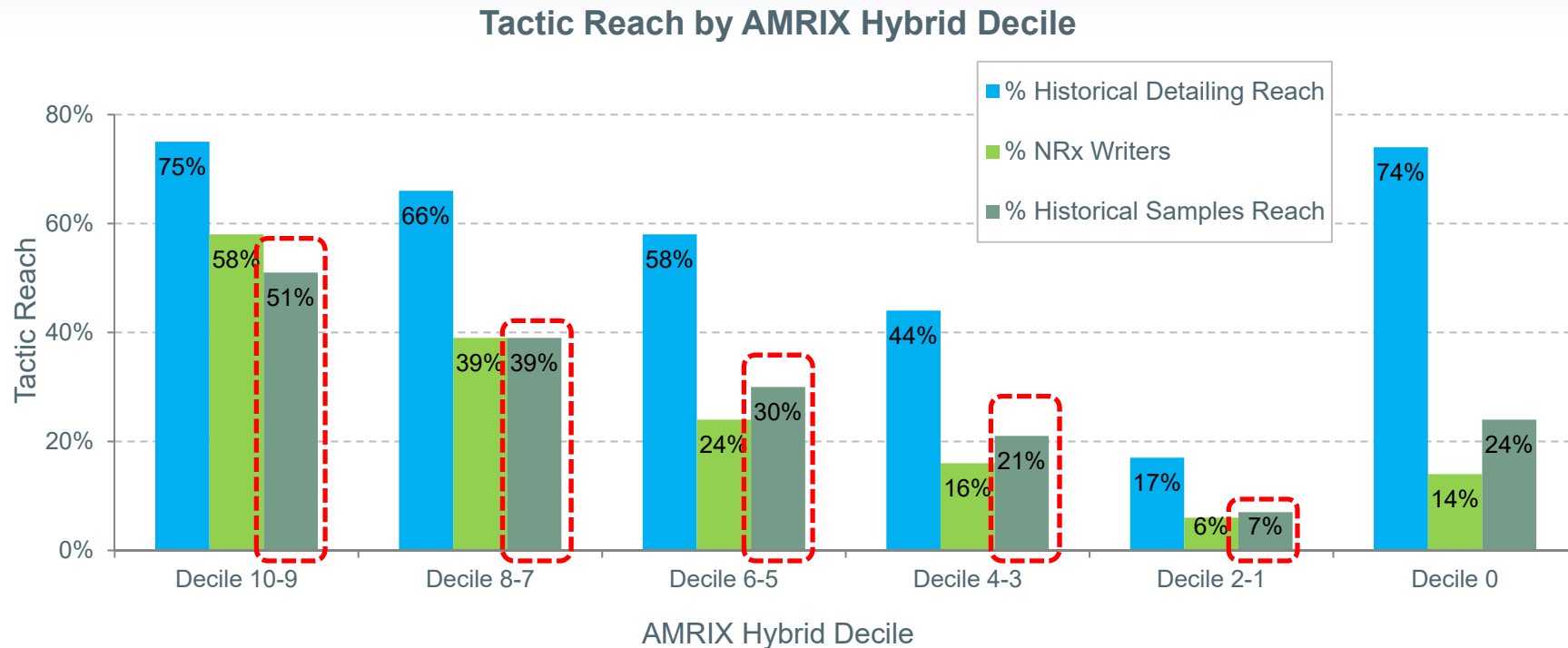
- High decile MDs upon receiving ~2.1 incremental PDEs per month, generate an additional ~2.1 NRxs per month
 - In 2010³, increase in 2.5 PDEs provided an incremental ~1.3 NRx
- Medium decile MDs, on an average over 3 months, upon receiving ~1.5 incremental PDEs per month, generate on an average, an additional ~0.4 NRxs per month
 - In 2010³, increase in 2.5 PDEs provided an incremental ~0.4 NRx⁴

Given that Amrix is in the early phases of its re-launch, it is promotionally more sensitive than it was in 2010

1. Rx data considered for the period May 2012 – Apr 2013
 2. 109 Test MDs in High Decile (D10-7), being compared against 117 control MDs; for Medium Decile (D 6-3), there are 213 Test MDs and 506 controls
 3. AMRIX Promotional Response and Forecast_Feb192010_final_.ppt
 4. NRx to TRx ratio is 1.35
 Source: AMRIX Sales (AMRIX_Mktg_Mix_Rx.txt)
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Brand Level Insights - Amrix

Increasing the reach and frequency of sample shipments to high value decile prescribers can help optimize increased spend on the program



AMRIX should actively watch out for cannibalization in the lower deciles and avoid over sampling to low value MDs

Source: AMRIX Samples AMRIX_Mktg_Mix_Samples.txt

- AMRIX Hybrid Deciles from the Dec 2012 call plan files
- Rx data considered for the period May 2012 – Apr 2013
- Annualized sample shipment activity from Feb '13 through Apr '13

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